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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

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2010 MAY -6 P 3:00

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
F. WAYNE & DOROTHY THOMPSON DBA
WEST VILLAGE WATER COMPANY FOR
AUTHORITY TO INCUR DEBT TO FINANCE
WATER SYSTEM IMPROVEMENTS.

DOCKET NO. W-03211A-08-0621

IN THE MATTER OF THE APPLICATION OF
F. WAYNE & DOROTHY THOMPSON DBA
WEST VILLAGE WATER COMPANY FOR A
RATE INCREASE.

DOCKET NO. W-03211A-08-0622

STAFF'S NOTICE OF ERRATA

The Staff of the Arizona Corporation Commission ("Staff") hereby files the following
corrected page 9 to the Amended Staff Report filed on February 25, 2010.

RESPECTFULLY SUBMITTED this 6th day of May, 2010.

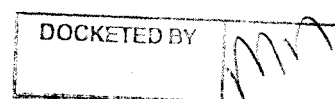
Ayesha Vohra
Attorney, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

Original and thirteen (13) copies
of the foregoing were filed this
6th day of May, 2010 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
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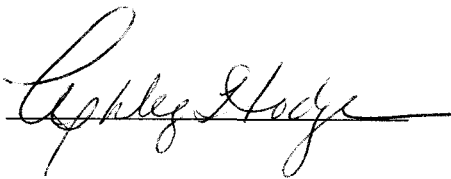
MAY - 6 2010



1 Copies of the foregoing were mailed
2 this 6th day of May, 2010 to:

3 F. Wayne and Dorothy Thompson
4 WEST VILLAGE WATER COMPANY
5 P.O. Box 756
6 Flagstaff, Arizona 86002

7 Steve Wene, Esq.
8 MOYES SELLERS & SIMS LTD.
9 1850 North Central Avenue, Suite 1100
10 Phoenix, Arizona 85004
11 Attorneys for West Village Water Company
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For comparative purposes, by including Staff's recommended surcharge for the financing, Staff's recommended increase in revenue is \$56,457 or a 176.79 percent increase over test year revenue of \$31,935. Staff's recommended revenue of \$88,392 results in operating income of \$56,675, or a 173.63 percent rate of return on Staff's recommended FVRB of \$32,642. This same operating income also results in an operating margin of 64.12 percent. Staff-recommended rates would increase the typical 5/8 inch meter residential bill with a median usage of 2,534 gallons from \$38.80 to \$120.25 for an increase of \$81.45 or 209.9 percent. See Amended Schedules DWC-1B and DWC-5B.

Since 3/4 inch meter customers comprise about 1/3 of the Company's customer base, Staff believes it is appropriate to include Amended Schedules DWC-6A and 6B, which reflect the typical bill analysis for the 3/4 inch meter customers.

The Company currently has one commodity rate for all meter sizes and gallons used. The Company has proposed one inverted three-tier rate design for all customer classes and meter sizes. Staff believes that inverted tier rates encourage water conservation and Staff recommends a three-tier inverted rate design for the 5/8 x 3/4 inch and 3/4 inch meters and a two-tier inverted rate design for larger size meters. See Amended Schedule DWC-4.

Staff recommends a tariff of \$9.95 per 1,000 gallons for construction/bulk water.

Staff recommends approval of Staff's Service Line and Meter Installation Charges. Staff's recommendation will help ensure that the Company will have enough cash to pay for the actual installation of service for any meter size.

The Company proposed increases to service charges as follows:

The Company proposes an increase to Establishment charge from \$20.00 to \$35.00. Staff concurs.

The Company proposes an increase to Establishment (after hours) from \$40.00 to \$45.00. Staff concurs.

The Company proposes an increase to Reconnection (delinquent) from \$40.00 to 45.00. Staff concurs.

The Company proposes an increase to Reconnection (delinquent) after hours from \$0 to \$50.00. Staff concurs.

The Company proposes an increase to Meter Test from \$40.00 to \$45.00. Staff concurs.

The Company proposes not to change Deposit as per rule. Staff concurs.